

# **El Paso – Juarez Industry Summit**

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## **Lear Corporation Profile, Impact and Growth**

**REACH 4**  
INNOVATION • QUALITY • LEADERSHIP • EFFICIENCY  
**GREATNESS**

# Lear Corporation Vision

## Vision



**Matt Simoncini**  
President and CEO



To consistently be recognized as:

- A Supplier of choice;
- An Employer of choice;
- The Investment of choice; and
- A Company that supports the communities where we do business.

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## **C O N T E N T**

- Introduction
- Lear Profile - Video
- El Paso - Juarez Highlights
- Mexico Growth Highlights
- Lear Community Service
- Lear Business and Technology
- Questions and Answers

# Lear Corporation Overview



Lear Corporation Global Headquarters  
Southfield , MI

- Lear Corporation ranks 174 among FORTUNE 500, with sales of \$ 18.2 billion dollars in 2015.
- Leading supplier in the seating segment and electrical power management system, with high power hybrid electrical components.
- Lear has a global team of 135,000 employees with 240 locations in 35 countries.

**We are Leaders in product Quality, Customer Service and Innovation.**

# Lear Mexican Operations

Total of 37 facilities located in 10 states of Mexico and San Pedro Sula, Honduras:

1. Sonora,
2. Chihuahua,
3. Coahuila,
4. Nuevo Leon,
5. San Luis Potosi,
6. Guanajuato,
7. Estado de Mexico,
8. Distrito Federal,
9. Tlaxcala,
10. Puebla.
11. San Pedro Sula, Honduras



# Lear in Chihuahua State



**71%** of employees in México are in the state of **Chihuahua**.

**Employees: 33,202**  
**Plants: 15**

## Trim (7 Plants)

- La Cuesta (Juarez)
- San Lorenzo (Juarez)
- Rio Bravo (Juarez)
- Fuentes (Juarez)
- Zaragoza (Juarez)
- Villa Ahumada (VA)
- Casas Grandes (NCG)

## Electrical Distribution Systems (5 Plants)

- Monarca (Juarez)
- Juarez (Juarez)
- Torres (Juarez)
- Americas (Chihuahua)
- Nova (Chihuahua)

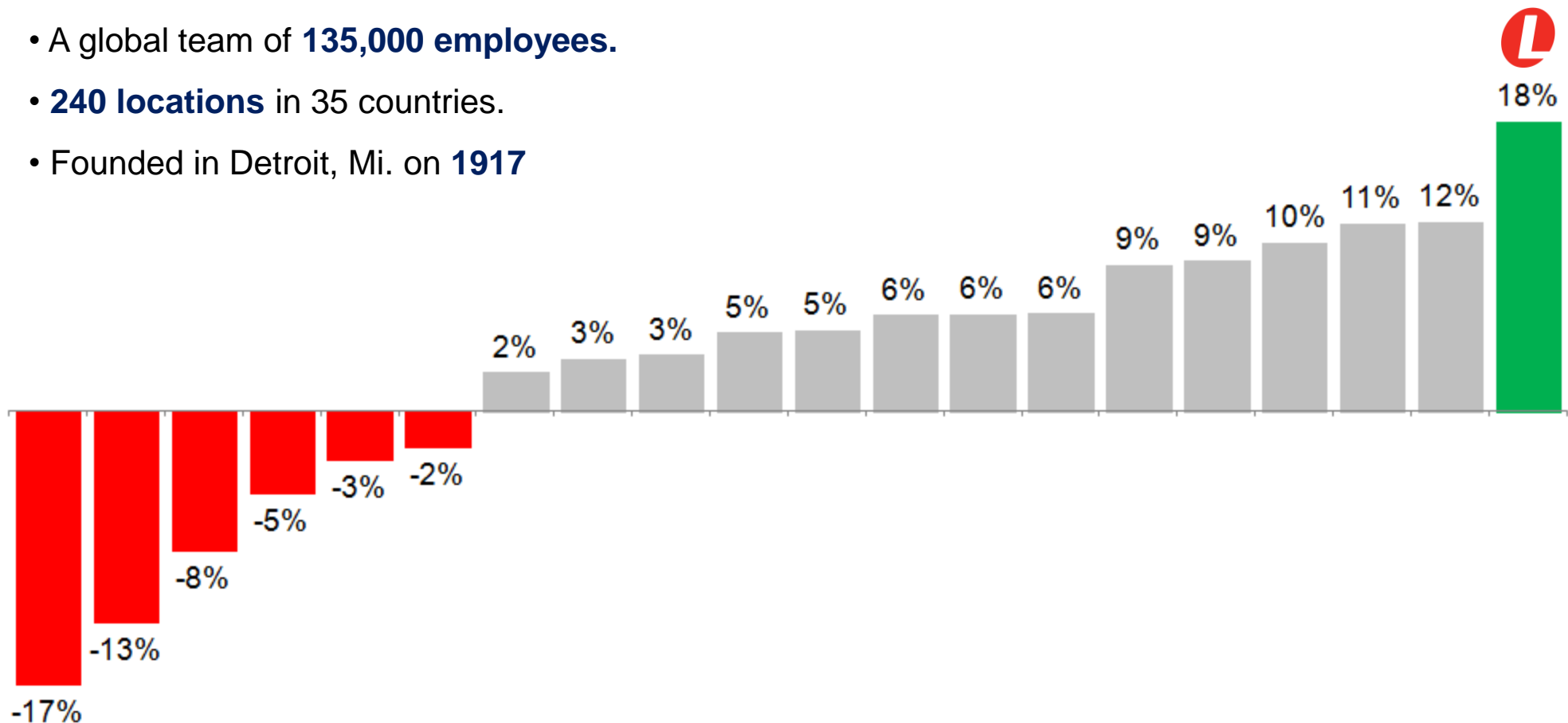
## Leather (3 Plants)

- Bermudez (Juarez)
- Jarudo (Juarez)
- Victoria (Juarez)

# Lear Leads Peer Group in Adjusted EBITDA Growth

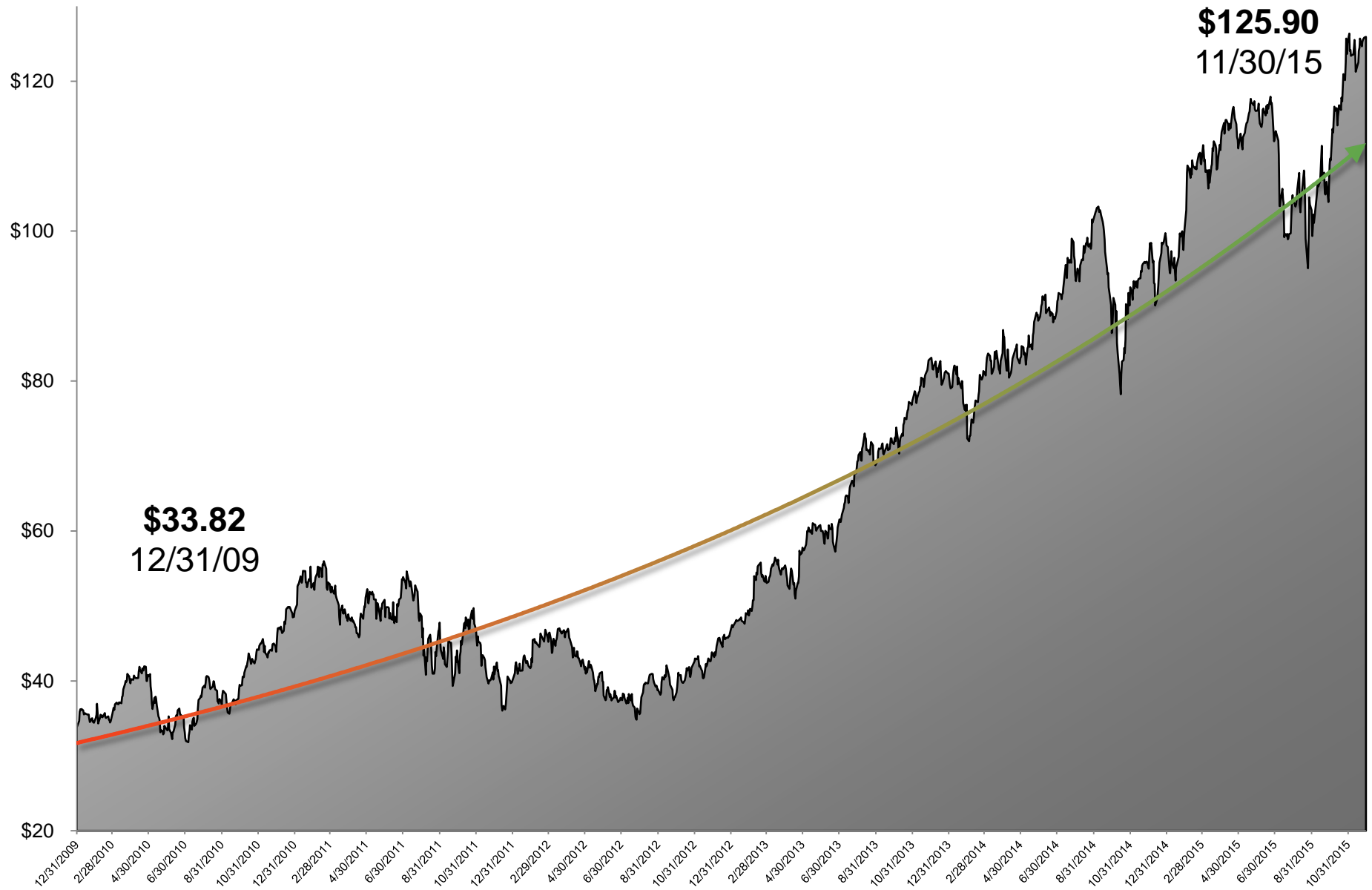
## 3 – Year CAGR

- Lear Corporation currently ranks **#174 on the FORTUNE 500** list.
- Sales of **\$ 18.2 billion** dollars in 2015.
- Lear content can be found on more than **300 vehicle nameplates**
- A global team of **135,000 employees**.
- **240 locations** in 35 countries.
- Founded in Detroit, Mi. on **1917**





# Lear Share Price Trend -- 2010 to Present





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**Lear Profile**

**V I D E O**

# Lear Juárez – El Paso Profile



- **3 Business Units in Juárez City (11 Plants):**

- Trim-Cutting and sewing (5 Plants)**

- Electrical-Automotive electrical harnesses (3 Plants)**

- Leather-Cutting-Finishing automotive leather (3 Plants)**

- **3 Cross Docks - Warehouses in El Paso, Tx.**

- Loma Verde (Electrical warehouse)

- Linc (Trim warehouse)

- Eagle Ottawa (Leather warehouse)

- **A diverse team of 27,076 associates:**

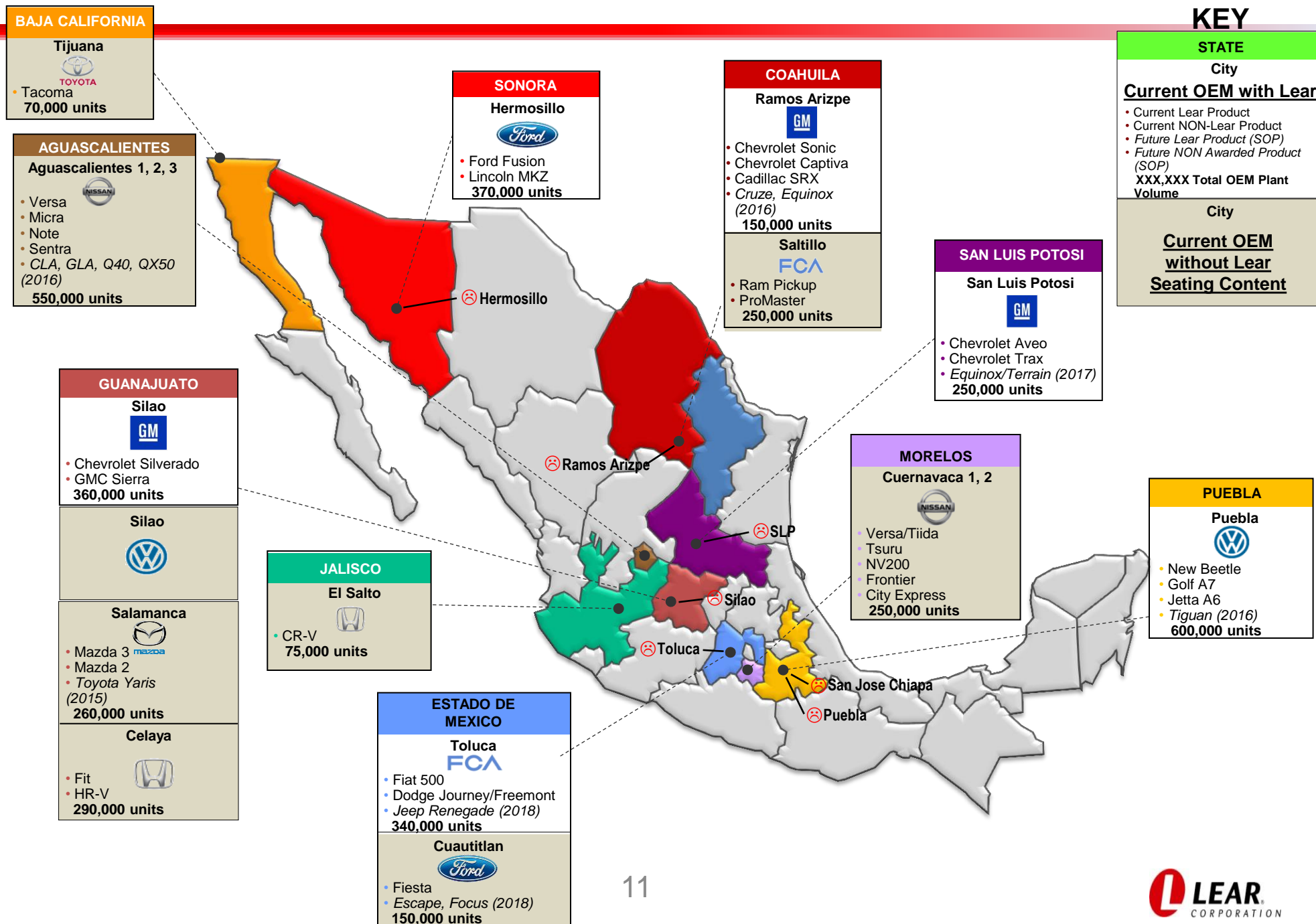
- Juarez employees:** Hourly: 25716      Salary: 1344

- US, El Paso employees:** Salary: 186

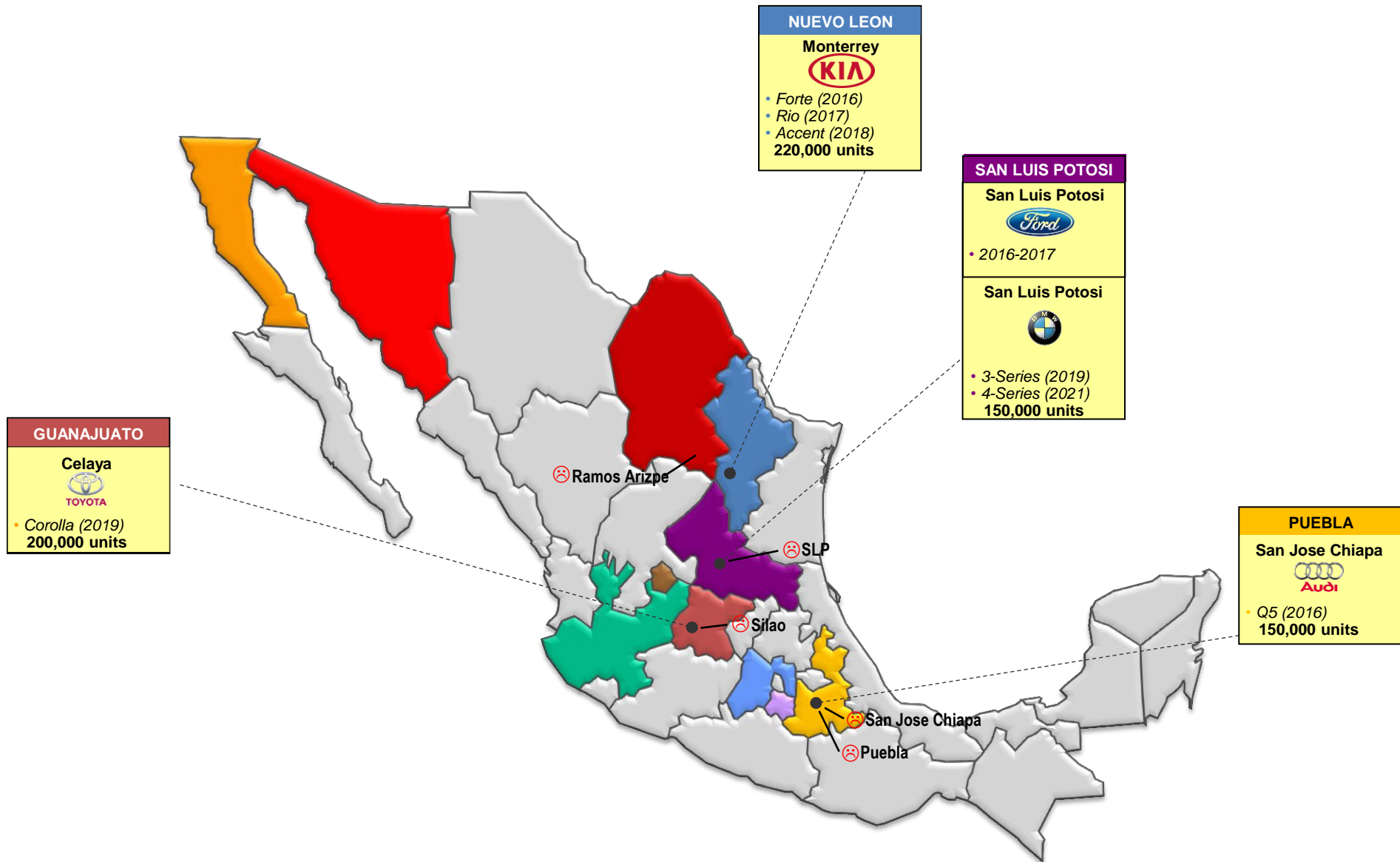


- 30 000 Import/Export transaction per year
- Lear Mexico exports 3.0 USD Billion (Around 2 Billion through El Paso Tx.). Import, 2.7 Billion (1.8 Billion through El Paso)
- 30,000 average trailers cross the bridge per year

# Lear Customers in Mexico – OEM's



# New OEM Operations in Mexico



# Lear Mexican Operations Growth

## 2015

- **Huamantla Tlaxcala – JIT Division**  
Customer: Audi  
Employees: 1 000
- **Arteaga Coahuila – Structure Division**  
Customer: Lear Metal seats frames  
Employees: 1500

## 2016

- **Ramos Arizpe II – JIT Division**  
Customer: GM  
Employees: 1 000
- **Caleras Zacatecas – Trim Division**  
Customer: 1500  
Employees: 2 000
- **Torreon Coahuila – Electrical Division**  
Customer: Ford, Chrysler  
Employees: 3 000
- **Ascension Chihuahua – Trim Division**  
Customer: Lear Trim  
Employees: 500



## 2017 - 2018

- **Torreon Coahuila – Electrical Division**  
Customer: Ford, Chrysler  
Employees: 3 000

# Mexico Community Support

Following Lear core values, Lear Mexico – El Paso employees are actively and enthusiastically contributing and participating on community service activities

<b>Annual Average Total Contribution</b>	<b>638 000 USD</b>
<b>Annual Total Donations and support</b>	<b>553 000 USD</b>
<b>Mexico Employees Participation</b>	<b>96%</b>
Community support events – Infrastructure, Education, People in difficult circumstances, reforestation, Medicines, etc.	More than 220
Volunteers in community activities	More than 1,750
Hours of community volunteering	More than 8,000
Family values and first childhood workshops	33 and more than 1600 participants
Blood units donated by employees	569



# Community Service Support Summary



Scholarships for Technical and Middle Schools



Employees education support



Employees education support



Remodeling - equipping of a classroom at  
Technological Institute



# Community Service Support Summary



Supporting employees affected by natural disaster



Painting and rehabilitation of public Kindergartens



Support to build a playground area for children shelter.



Blood Donation Drives



# Community Service Support Summary



Children's day celebration for orphanages



Rehabilitation of public recreational areas



Reforestation of a public school - 93 trees



Eye Surgery for an employee



# Community Service Support Summary



Donation to a Cancer Organization



Children Health Programs

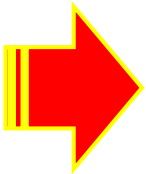


Life Values workshops for employees and their families, with more than a thousand participants.

# Major Industry Trends



Global platforms and direct component sourcing by customers



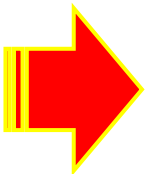
Consumer demand for additional comfort, convenience and safety features



Stricter fuel economy and emissions standards



China is the largest major automotive market in the world



Connectivity, adaptive safety and autonomous vehicles

***Uniquely Positioned In Both Business Segments To Take Advantage Of Industry Growth And Major Trends***



# Craftsmanship - Commanding confidence in Lear's commitment to quality.



- **Crafted Comfort Connect™, Sculpted Process Produces Highly Crafted Look.**
- Wrinkle-free seats.
- Styling for concave seat cushion.
- Shape history in launching vehicles that redefine the union of **artistry and engineering.**



# Craftsmanship - Commanding confidence in Lear's commitment to quality.

- Basic fabric with flame retardant properties only.
- Fabrics that protect against water and oil-based stains.
- Enhance interior air quality
- Reduce static electricity
- Anti-microbial concerns such as mildew and bacteria, or all of the above.



**Texstyle**  
**DEFENSE™**



# Connectivity - The smartest integrated solution provider for smart devices on wheels.



- Provide software and hardware that manages and distributes the full complement of communication signals in, out and around the vehicle.

- We provide both wired and wireless signals, leveraging our own current leading position in power/signal distribution system in the vehicle.

- Receive multiple types of signals to enable and enhance functionality.
- Receiving and sending these signals at high speed and quality.
- In-vehicle electronic processing signals may also be necessary to ensure they can be understood by different vehicle domains and can be used in combination with one another.



ARADA  
SYSTEMS



# Lear Leadership Model

## One Lear

- ▲ Lear first, not just your division, function, or region
- ▲ Proactively communicate and collaborate across regions and teams
- ▲ Embrace change once decision is made
- ▲ Build relationships at all levels of the Company
- ▲ Create diverse teams and encourage diversity of thought
- ▲ Give back to your community



## Get Results the Right Way

- ▲ Team effectiveness trumps individual talent
- ▲ Know your customer; know the business
- ▲ Respect, listen to, and empower others
- ▲ Make sound and timely decisions
- ▲ Don't sacrifice the long-term for short-term gain
- ▲ Develop and invest in Lear's talent for the future

## Lead with Integrity

- ▲ Do the right thing
- ▲ Deliver what you promise
- ▲ Own your decisions and results
- ▲ Recognize others for their contributions
- ▲ Be humble and confident
- ▲ Disagree without being disagreeable

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**Thanks !**

**Gracias !**